

Los Angeles County Department of Regional Planning

West San Gabriel Valley Area Plan: Economic Development Element Summary

1. Existing Conditions

KEY INDUSTRIES AND JOB SECTORS

As of 2020, the WSGVAP communities employed approximately 17,488 workers, with the healthcare and social assistance sector comprising 32.3 percent of total employment. Other significant sectors include retail (10.4 percent), educational services (8.9 percent), and accommodation and food services (8.5 percent). These sectors collectively represent over 60 percent of total employment within the WSGVAP communities. Altadena, East Pasadena-East San Gabriel, and La Crescenta-Montrose are the primary hubs of employment, accounting for over three-quarters of total employment. Jobs are primarily located along major commercial boulevards, with healthcare and social assistance positions mainly stemming from medical facilities like medical centers and hospitals, while retail employment is linked to large retail centers.

RESIDENT WORKFORCE

The WSGVAP communities are home to approximately 52,851 employed residents, primarily working in healthcare and social assistance (9,974 employed residents), educational services (6,163), and professional, scientific, and tech services (4,605). However, an imbalance exists between jobs and employed residents, meaning more workers commute out of the communities than those who work locally. This imbalance is largely attributed to the dominance of residential land use over commercial and industrial land uses.

REAL ESTATE MARKET CONDITIONS

Job-generating uses in the WSGV communities are associated with retail, office, and industrial space. Retail space occupies the largest square footage, followed by office and industrial space. East Pasadena-East San Gabriel has the largest retail space inventory, while Altadena leads in office space. Industrial space is less common but is predominantly located in Whittier Narrows. Vacancy rates and asking rents for retail and office spaces vary across communities, with relatively low vacancy rates in some areas. However, industrial space is limited, with Whittier Narrows experiencing high demand and low vacancy rates.

AFFORDABILITY AND ANTI-DISPLACEMENT CONSIDERATIONS

Approximately 38 percent of the WSGVAP unincorporated households are considered cost-burdened, meaning they spend a high portion of their income on housing expenses. Renter households in particular face higher affordability challenges, although average asking rents are lower in the WSGVAP communities compared to the broader Los Angeles County. Regardless, affordability remains a concern for low-income households. Providing a mix of affordable and market-rate units will be crucial for addressing housing needs and preventing displacement in the Area Plan Communities.

2. Issues & Opportunities

COMMERCIAL VITALITY

One of the primary desires expressed by residents of the WSGV is the enhancement of commercial corridors and support for small local businesses. However, as of 2023, no new commercial spaces were proposed or under construction in the WSGV Area Plan Communities. This lack of new development could challenge older commercial properties competing with newer developments in adjacent jurisdictions. Community visions include transforming areas like Lake Avenue in Altadena into vibrant gathering places with sidewalk cafes and restaurants, and revitalizing Lincoln Avenue into a walkable mixed-use commercial district. Similarly, in La Crescenta-Montrose, there's a need for additional local-serving businesses and activation of vacant lots. East Pasadena-East San Gabriel residents envision a hub of locally owned businesses along Rosemead Boulevard to increase pedestrian activity and complement existing commercial uses.

HOUSING STABILITY FOR VULNERABLE POPULATIONS

Nearly half of the renter households in the WSGV fall into the extremely low or very low-income categories, making them vulnerable to displacement due to rent increases. Access to affordable housing is critical for reducing poverty and enhancing economic mobility. Yet, there is a shortage of affordable housing options in the Area Plan communities, particularly for non-senior populations. Existing affordable housing projects mainly cater to seniors, with no new multifamily affordable housing developments in the pipeline. The Tenant Protection Ordinance and Affordable Housing Ordinance provide some protections. Still, an increased affordable housing supply is essential to address housing insecurity effectively.

THRIVING AND RESILIENT SMALL BUSINESSES

Retail space in the WSVAP is relatively affordable compared to neighboring areas, fostering a higher concentration of locally owned retail stores. However, revitalization efforts could inadvertently lead to commercial gentrification and the displacement of small businesses. Economic development strategies should support the competitiveness of existing businesses while facilitating the establishment and expansion of new ventures, mainly focusing on small businesses, entrepreneurs, and nonprofits.

EQUITABLE WORKFORCE INVESTMENT

The healthcare and social assistance sector dominates employment in the WSGV and is expected to grow significantly in the coming years. However, the imbalance between jobs and employed residents and the lack of new employment opportunities exacerbates skill mismatches and perpetuates the job-housing imbalance. Equitable workforce investment initiatives, especially after COVID-19, should target populations and businesses disproportionately affected by the pandemic, leveraging resources such as the American Rescue Plan Act to address these challenges.

3. Policy Recommendations

EQUITABLE ECONOMIC DEVELOPMENT

The Economic Development Element prioritizes equity in economic development investments. Policy recommendations direct attention to disadvantaged communities within the WSGV, advocating for capital improvements to promote private investment while ensuring equitable distribution of resources across community

services, facilities, and infrastructure. A policy recommendation stresses the importance of supporting small and minority-owned businesses and equitable economic development that benefits all stakeholders within the Planning Area.

HOUSING STABILITY AND AFFORDABILITY

Housing stability is recognized as a fundamental driver of economic sustainability in the WSGV. The policy recommendations under this goal aim to address housing challenges and promote equitable access to affordable housing in the WSGV. They strive to protect residents from physical displacement through tenant and homeowner security, including fully utilizing existing rent stabilization. They also focus on stimulating new affordable housing development by ensuring that WSGV communities are equipped with the necessary zoning, funding, and administrative resources to facilitate such projects. Additional policy recommendations encourage cross-jurisdictional relationships, promote lower-cost transit-accessible housing options, expedite permitting, and coordinate with the local affordable housing development community. These efforts collectively enhance economic stability and ensure residents have access to suitable housing options within the WSGV area.

WELL-SUPPORTED BUSINESSES

Another Economic Development goal is to support businesses in WSGV communities, ensuring they meet employment needs, foster innovation, and sustain economic growth. Policy recommendations under this goal focus on promoting local, small business growth, facilitating relationships with existing and new local businesses, creating a business-friendly environment, assisting with permitting processes and strengthening community identity.

TARGETED AND STREAMLINED REVITALIZATION

An essential goal of this Element is to streamline and target revitalization efforts in WSGV communities. Policy recommendations include expediting review and permitting processes for adaptive reuse of aging commercial properties, encouraging renovation of underutilized properties, implementing targeted development incentives, and promoting mixed-use zoning standards to foster vibrant economic development.